

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----x
PATRIARCH PARTNERS XV, LLC and
OCTALUNA LLC,

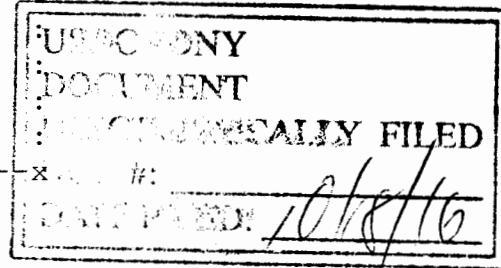
Plaintiffs,

-v-

U.S. BANK NATIONAL ASSOCIATION and
MBIA INSURANCE CORPORATION,

Defendants.

-----x
JED S. RAKOFF, U.S.D.J.



On September 14, 2016, Judge Stein, sitting in Part I, entered a temporary restraining order ("TRO") enjoining the auction of the Collateral of the Zohar I fund (the "Auction") by the trustee of the fund, defendant U.S. Bank National Association (the "Trustee"). This Court, to whom the case was thereafter assigned, then conducted a nine-hour evidentiary hearing on October 10, 2016, on the issue of whether the TRO should be converted into a preliminary injunction. The Court also received briefing on this issue, both before and after the evidentiary hearing.

Having considered the parties' submissions and the evidence introduced at the evidentiary hearing, and having assessed the credibility of the witnesses, the Court hereby lifts the TRO and orders the Auction to proceed on the following terms:

- (1) The Trustee is directed to re-notice the Auction on Monday, October 24, 2016. The notice of the Auction shall

be prominent and distributed to a reasonably wide group of prospective bidders.

- (2) The Auction shall remain open until at least November 23, 2016.
- (3) As represented in open court, Ms. Tilton will allow prospective bidders to meet and confer with the management of the Portfolio Companies, subject to an appropriate confidentiality order with each such prospective bidder.
Transcript dated Oct. 10, 2016 at 187.
- (4) In other regards, the Auction shall proceed on the modified terms proposed by the Trustee in its letters dated September 23, 2016 and October 7, 2016. In particular, the Auction shall: permit bidding from all persons or entities that qualify for a private placement exemption from registration under the Securities Act of 1933, allow bids either for one or more items of the Collateral or for all of the Collateral, and include Item 133 among the assets offered for sale.

In all other respects, the request for injunctive relief is denied. However, if, during the course of the Auction, problems arise which the parties are unable to resolve among themselves, they may jointly call the Court, which retains jurisdiction over the entire matter.

An opinion setting forth the reasons for these determinations will issue in due course.

SO ORDERED.

Dated: New York, NY
October 18, 2016



JED S. RAKOFF, U.S.D.J.